

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L ZAGREB 000578

SIPDIS

E.O. 12958: DECL: 03/12/2008

TAGS: [PREL](#) [PGOV](#) [ECON](#) [EFIN](#) [MK](#) [SR](#) [BK](#) [SI](#) [MW](#) [HR](#)

SUBJECT: UNBLOCKING SFRY ASSETS: PICULA SAYS GOC STILL  
LOOKING AT PROPOSAL

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REF: A. (A) STATE 50887

[1](#)B. (B) ZAGREB 450

CLASSIFIED BY: NICHOLAS HILL, POLITICAL ECONOMIC  
COUNSELOR, FOR REASONS 1.5 (B) AND (D)

[1](#)1. (C) THE AMBASSADOR DELIVERED DEMARCHE (REF A) CONCERNING  
USG PLANS TO UNBLOCK SFRY ASSETS TO FOREIGN MINISTER PICULA  
MARCH 14. PICULA WAS NON-COMMITTAL, BUT AGAIN POINTED TO THE  
DIFFICULTY OF PROVIDING A HOLD HARMLESS IN THE ABSENCE OF A  
RATIFIED SUCCESSION AGREEMENT. AS HE HAS IN PREVIOUS  
MEETINGS WITH THE PRIME MINISTER AND FOREIGN MINISTER, THE  
AMBASSADOR STRESSED SEVERAL TIMES THAT PROVIDING A HOLD  
HARMLESS AGREEMENT WOULD NOT PREJUDICE CROATIA'S CASE WITH  
RESPECT TO THE ASI. IN THE ABSENCE OF A HOLD HARMLESS,  
HOWEVER, CROATIA STOOD TO LOSE ALMOST \$52 MILLION.

[1](#)2. (C) THE AMBASSADOR UNDERScoreD THE APRIL 15 DEADLINE IN  
THE DEMARCHE, BUT NOTED THAT ANY DECISION SHOULD COME  
SUFFICIENTLY IN ADVANCE TO GIVE TIME TO REVIEW THEIR  
POSITIONS TO OTHER SUCCESSOR STATES WHO HAVE BEEN TAKING  
THEIR LEAD FROM THE GOC.  
ROSSIN

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